



October 23, 2025

Administrative Letter 2025-04

TO: All Insurers Licensed to Write Insurance in Virginia, All Licensed Insurance Agencies, and All Interested Parties

RE: Offer or Provision of Value-Added Products and Services under Section 38.2-509 of the Code of Virginia

Insurers have indicated to the Bureau of Insurance that they would like to offer value-added risk mitigation products or services to their insureds to reduce the risk under the policies and help reduce premiums or increases in premiums. The Bureau supports value-added risk mitigation products or services that help lower premiums and claims costs; however, compliance with Section 38.2-509 (Virginia's rebating law) is required.

The Bureau provides the following guidance related to compliance with Virginia's rebating law and the offer or provision of value-added risk mitigation products and services. This guidance sets forth the conditions under which value-added risk mitigation products or services may be offered without violating the anti-inducement requirements in that section.

In general, the Bureau uses the following criteria to determine whether the offer or provision of value-added risk mitigation products or services at no or reduced cost not specified in the insurance contract constitutes a rebate. The Bureau considers if the product or service:

- A. Is designed primarily to provide risk mitigation or loss control;
- B. Relates to the specific insurance coverage provided by the insurer or producer; and
- C. Is offered in a manner that does not unfairly favor one customer over another.
- D. Additionally, the Bureau will consider if the value-added risk mitigation product or service achieves one or more of the following:
 - Reduces claim costs or claim settlement costs;
 - Provides education about liability risks or risk of loss to persons or property;
 - Monitors or assesses risk, identifies sources of risk, or develops strategies for eliminating or reducing risk;

- Provides education about financial planning or financial wellness;
- Encourages behavioral changes to improve the health or reduces the risk of death or disability of an insured; or,
- Assists in the administration of employee or retiree benefit insurance coverage.

Any premium credits or discounts related to the value-added risk mitigation products or services must be filed. Insurers are encouraged, but are not required, to submit a description of any specific risk mitigation product or service that the insurer intends to offer for the Bureau's review.

This guidance pertains *only* to compliance with § 38.2-509 of the Code and there may be other statutory provisions that pertain to or restrict the offer of value-added risk mitigation products or services. For example, insurers seeking to offer wellness programs¹ or wellness benefits² are subject to additional requirements and restrictions under applicable state and federal law. Further, title companies and title agents must comply with federal law under the Real Estate Settlement Procedures Act and state requirements under §§ 38.2-4614 and 55.1-1009.1 of the Code that may restrict or prohibit the provision of value-added risk mitigation products or services.

Questions about this administrative letter may be directed to:

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Cordially,

/s/ Scott A. White

Scott A. White
Commissioner of Insurance

¹ See § 38.2-3454 of the Code.

² See [Wellness Benefits in Excepted Benefits Policies Guidance](#).